

City of Lincoln, Illinois
City Administrator
Employment Agreement

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Introduction

This Agreement, made and originally effective on July 17, 2018, and subsequently amended (if needed) effective August 20, 2018, by and between the City of Lincoln of Illinois, a municipal corporation, (hereinafter called "Employer") and Elizabeth Ann Kavelman, (hereinafter called "Employee") an individual who has the education, training, and experience in local government management and who both of whom agree as follows:

Section 1: Term

- A. This Agreement shall remain in full force and effect from July 17, 2018, until terminated by the Employer or Employee as provided in Section 9, 10, or 11 of this Agreement.

The term of this Agreement shall be for an initial period from July 17, 2018, to April 30, 2021. This Agreement shall automatically be renewed on its anniversary date for a one (1)-year term unless notice that the Agreement shall terminate is given at least 30 days before the expiration date. In the event the Agreement is not renewed, all compensation, benefits and requirements of the Agreement shall remain in effect until the expiration of the term of the Agreement unless Employee voluntarily resigns.

In the event that the Employee is terminated, as defined in Section 9 of of this Agreement, the Employee shall be entitled to all compensation including salary, accrued vacation and sick leave, car allowance paid in lump sum basis, plus continuation of all health and dental benefits for a period of four (4) months as outlined in Section 10 of this Agreement.

Section 2: Duties and Authority

- A. Employer agrees to employ Elizabeth Ann Kavelman as City Administrator to perform the functions and duties specified in Title I, Chapter 20, of the Lincoln City Code and to perform other legally permissible and proper duties and functions without interference.
- B. Employee is the chief administrative officer of the Employer and shall faithfully perform the duties as prescribed in the job description as set forth in the Employer's charter and/or ordinances and as may be lawfully assigned by the Employer and shall comply with all lawful governing body directives, state and federal law, Employer policies, rules, and ordinances as they exist or may hereafter be amended.
- C. Specifically, it shall be the duty of the Employee to employ on behalf of the Employer all other employees of the organization consistent with the policies of the government body and the ordinances and charter of the Employer.
- D. It shall also be the duty of the Employee to direct, assign, reassign, and evaluate all of the employees of the Employer consistent with policies, ordinances, charter, state, and federal law.
- E. It shall also be the duty of the Employee to organize, reorganize, and arrange the staff of the Employer and to develop and establish internal regulations, rules, and procedures which the Employee deems necessary for the efficient and effective operation of the Employer consistent with the lawful directives, policies, ordinances, state, and federal law.
- F. It shall also be the duty of the Employee to accept all resignations of employees of the Employer consistent with the policies, ordinances, state and federal law, except the Employee's resignation which must be accepted by the Mayor or governing body.
- G. The Employee shall perform the duties of city administrator of the Employer with reasonable care, diligence, skill, and expertise.
- H. All duties assigned by the Employer by the governing body shall be appropriate to and consistent with the professional role and responsibility of the Employee.
- I. The Employee cannot be reassigned from the position of City Administrator to another position without the Employee's express written consent.
- J. The Employee or designee shall attend, and shall be permitted to attend, all meetings of the governing body, both public and closed, with the exception of those closed meetings devoted to the subject of this Agreement, or any amendment thereto or the Employer's evaluation or otherwise consistent with state law.

- K. The governing body, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to their attention to the Employee for study and/or appropriate action.

Section 3: Compensation

- A. Base Salary: Employer agrees to pay Employee an annual base salary of \$50,000.00, payable in installments at the same time that the other management employees of the Employer are paid.
- B. This Agreement may be amended at any time to reflect any salary adjustments that may be a result of positive performance review in accordance with Section 12.
- C. At any time during the term of the Agreement, Employer may, in its discretion, review and adjust the salary of the
Employee, but in no event shall the Employee be paid less than the salary set forth in Section 3.A. of the Agreement except by mutual written Agreement between Employee and Employer. Such adjustments, if any, shall be made pursuant to a lawful governing body action. In such event, Employer and Employee agree to provide their best efforts and reasonable cooperation to execute a new Agreement incorporating the adjusted salary.
- D. Except as otherwise provided in this Agreement, the Employee shall be entitled, at a minimum, to the level of benefits enjoyed by and/or available to department heads of the Employer as provided by the Employer's policies, charter, ordinances, or personnel rules and regulations, or other practices.

Section 4: Health, Disability and Life Insurance Benefits

- A. The Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, dental, and comprehensive medical insurance for the Employee at a minimum, equal to that which is provided to all other employees of the City of Lincoln.
- B. The Employer shall reimburse the Employee for term life insurance premiums in an amount not to exceed \$500. The Employee shall name the beneficiary of the life insurance policy and shall provide proof of the existence of such insurance.

Section 5: Vacation, Sick, and Other Leave

- A. Upon commencing employment, the Employee shall be credited with one (1) week/40 accrued vacation leave hours. In addition, upon reaching six (6) months of employment, beginning January 1, 2019, Employee shall be credited with two (2) weeks/80 accrued vacation leave hours. Beginning January 1, 2020, Employee shall be credited with three (3) weeks/120 accrued vacation leave hours which shall continue upon the beginning of each calendar year thereafter and may carry over up to 80 hours vacation leave to the following year.
- B. Employee shall accrue sick leave at a rate of eight (8) hours per month up to a maximum of 200 hours. Any sick leave hours accumulated in over 200 hours may be placed in a retirement reserve. Up to 1,920 hours (240 days) can be placed in the reserve to be used, as allowed by IMRF.

Section 6: Automobile

The Employee's duties require exclusive and unrestricted use of an automobile to be mutually agreed upon and provided to the Employee at the Employer's cost as outlined below.

Monthly Vehicle Allowance

The Employer agrees to pay to the Employee, during the term of this Agreement and in addition to other salary and benefits herein provided the sum of \$1,800.00 per year, payable monthly, as a vehicle allowance to be used to purchase lease, or own, operate and maintain a vehicle. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular placement of said vehicle.

Section 7: Retirement

The Employer agrees to enroll the Employee into the applicable state or local retirement system and to make all the appropriate contributions on the Employee's behalf.

Beginning July 17, 2018, the Employer agrees to contribute \$3,600.00 annually (or \$150.00 per pay period) to the Employee's cash payment in lieu of an ICMA-Retirement Corporation deferred compensation plan.

Section 8: General Business Expenses

- A. Employer agrees to budget and pay for professional dues, including but not limited to, the International City/County Management Association (ICMA) and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer. The Employee acknowledges that the budget and appropriations for FY2018-FY2019 (May 1, 2018 through April 30, 2019) have been established and agrees to abide within the parameters of those budget and appropriation limitations.
- B. Employer agrees to budget and pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to, the ICMA Annual Conference, the Illinois Municipal League Annual Conference, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member.
- C. Employer also agrees to budget and pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.
- D. Employer agrees to support, budget, and pay for expenses of the Employee for becoming an ICMA Credential Manager, recognizing that such a distinction is in the best interests of the City of Lincoln.
- E. Employer recognizes that certain expenses of a non-personal but job-related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. Such expenses may include meals where Employer business is being discussed or conducted and participation in social events of various organizations when representing the Employer. Such expenditures are subject to annual budget constraints, as well as state and Employer ethics and purchasing policies. The Employer will disburse such monies upon receipt of duly executed expense or petty case vouchers, receipts, statements, or personal affidavits.
- F. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer encourages Employee to become an active member in local civic club or organizations.
- G. Recognizing the importance of a constant communication and maximum productivity, Employer shall provide Employee, for business and personal use, a laptop computer, software, internet connection at Employee's permanent residence, mobile phone/personal digital assistant and/or tablet computer for business and personal use, required for the Employee to perform their duties and to maintain communication with Employer's staff and officials as well as other individuals who are doing business with Employer. The Employer shall pay \$1,200.00 per year, \$100.00 payable monthly, to the Employee in order to maintain the cellular phone/tablet computer expenses necessary for modern communication purposes. Upon termination of Employee's employment, the laptop computer and any other such equipment purchases by the Employer shall remain the property of the Employer.

Section 9: Termination

- A. For the purpose of this Agreement, termination shall occur when:
 - 1. The majority of the governing body votes to terminate the Employee in accordance with Section 1-20-4 of the Lincoln City Code at a properly posted and duly authorized public meeting.
 - 2. If the Employer, citizens, or legislature acts to amend any provisions of the charter, code, enabling legislation pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially

changes the form of government, the Employee shall have the right to declare that such amendments constitute a breach of this Agreement.

3. If the Employer reduces the base salary, compensation, or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this Agreement and will be regarded as a termination.
4. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resign, then the Employee may declare a termination as of the date of the suggestion.
5. Breach of contract declared by either party with a 30-day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 20.

Section 10: Severance

Severance shall be paid to the Employee when employment is terminated as defined in Section 9.

- A. If the Employee is terminated, the Employer shall provide a minimum severance payment equal to six (6) months' salary at the then current rate of pay. This severance shall be paid in a lump sum basis or as agreed to by the Employer and the Employee.
- B. The Employee shall also be compensated for all unused vacation leave and for any unpaid stipends on a pro-rated basis up to the date of separation.
- C. For a minimum period of six (6) months following termination, the Employer shall pay the cost to continue the following benefits:
 1. Health and dental insurance for the employee as provided in Section 4A, after which time, Employee will be provided access to health insurance pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA").
- D. If the Employee is terminated because of a felony conviction or for cause, then the Employer is not obligated to pay severance under this section. "Cause" for purposes of this Agreement shall be defined as:
 1. Committed a material act of dishonesty or fraud.
 2. Make a material misrepresentation to the City Council, its auditors or regulators.
 3. Has appropriated or embezzled City funds, or committed larceny or theft of City property.
 4. Committed a felony or crime involving moral turpitude.
 5. Willfully disregarded a reasonable directive from or policy established by the City Council, or its related and affiliated entities.
 6. Willfully engaged in misconduct or gross negligence in the performance of his duties.
 7. Materially violated any representation or covenant in this Agreement.

Section 11: Resignation

In the event that the Employee voluntarily resigns his position with the Employer, the Employee shall provide a minimum of 30-days' notice unless Employer and Employee agree otherwise.

Section 12: Performance Evaluation

- A. Employer shall annually review the performance of the Employee, initially in July, 2019, and then in each successive July, thereafter, subject to process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Employer and Employee.

The annual evaluation process, at a minimum, shall include the opportunity for both parties to: (1) conduct a formulary session where the governing body and the Employee meet first to discuss goals and objectives of both the past twelve (12)-month-performance period, as well as the upcoming twelve (12)-month-performance period, (2) following that formulary discussion, prepare a written evaluation of goals and objectives for the past and upcoming year, (3) next meet and discuss the written evaluation of these goals and objectives, and (4) present a written summary of the evaluation results to the Employee.

The final written evaluation should be completed and delivered to the Employee within 45 days of the initial formulary evaluation meeting.

- B. Unless the Employee expressly requests otherwise in writing, the evaluation of the Employee shall, at all times, be conducted in executive session of the governing body and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Employer or Employee from sharing the content of the Employee's evaluation with their respective legal counsel.
- C. In the event the Employer deems the evaluation instrument, format, and/or procedure is to be modified by the Employer and such modifications would require new or different performance expectations, the new instrument (1) must be agreed to by the Employee in writing and (2), then the Employee shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.
- D. In the event the Employee is an ICMA Credentialed Manager, the multi-rater evaluation tool will be utilized at a minimum of every five years.

Section 13: Hours of Work

As of the date of the execution of this Agreement, the work hours at City Hall are 9:00 a.m. to 5:00 p.m., Monday through Friday. It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

The schedule shall be appropriate to the needs of the Employer, and shall allow Employee to faithfully perform her assigned duties and responsibilities, and shall be no less than 40 hours per week.

Section 14: Ethical Commitments

Employee will, at all times, uphold the tenets of the ICMA Code of Ethics, a copy of which is attached hereto and incorporated herein as Appendix 2. Specifically, Employee shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fundraising activities for individual seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time.

Employer shall support Employee in keeping these commitments by refraining from any order, direction, or request that would require Employee to violate the ICMA Code of Ethics. Specifically, neither the governing body nor any individual member thereof shall request Employee to endorse any candidate, make any financial contribution, sign, or circulate any petition, or participate in any fund-raising activity for individuals seeking or holding elected office, nor to handle any matter of personnel on a basis other than fairness, impartiality, and merit.

Section 15: Outside Activities

The employment provided for by this Agreement shall be the Employee's primary employment. Recognizing that certain outside consulting, speaking, or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, speaking, consulting, or other business opportunities with the understanding that such arrangements must neither constitute interference with nor a conflict of interest with her responsibilities under this Agreement. If any opportunity to consult, speak, or teach shall be presented to Employee, she shall receive approval from the Mayor of the City of Lincoln, and any compensation received as a result of these opportunities shall be considered outside the scope of this Agreement.

Section 16: Indemnification

Beyond that required under Federal, State, or Local law, Employer shall defend, save harmless, and indemnify Employee against any obligation to pay money or perform or not perform action, including without limitation, any and all losses, damages,

judgments, interests, settlements, penalties, fines, court costs, and other reasonable costs and expenses of legal proceedings including attorneys' fees, and any other liabilities arising from, related to, or connected with any tort, professional liability claim, or demand, or any other threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative, arbitrative, or investigation, whether groundless or otherwise, arising out of an alleged act of omission occurring in the performance of Employee's duties as City Administrator or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act of omission involved willful or wanton conduct. The Employee may request and the Employer shall not unreasonably refuse to provide independent legal representation at Employer's expense and Employer may not unreasonably withhold approval. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party.

The Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, penalties, fines, court costs, and other reasonable costs and expenses of legal proceedings including attorneys' fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his or her duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

Employee recognizes that Employer shall have the right to compromise and unless the Employee is a party to the suit, which Employee shall have a veto authority over the settlement, settle any claim or suit; unless, said compromise or settlement is of a personal nature to Employee. Further, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness, or advisor to the Employer. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor, or consultant to Employer regarding pending litigation.

Section 17: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 18: Other Terms and Conditions of Employment

- A. The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City of Lincoln, Illinois Charter, local ordinances, or any other law.
- B. Except as otherwise provided in this Agreement, the Employee shall be entitled, at a minimum, to the level of benefits that are enjoyed by or offered to department heads of the Employer as provide in the charter, code, personnel rules and regulations, or by practice.
- C. The Employer has appropriated, set aside and encumbered, and does hereby appropriate, set aside, and encumber, available and unappropriated funds of the municipality in an amount sufficient to fund and pay all financial obligations of the Employer pursuant to this Agreement, including but not limited to, the Severance and other benefits set forth in Section 10.

Section 19: Notices

Any notice required to be given with respect to this Agreement shall be in writing, and shall be deemed to have been given:

1. If delivered personally on that day, or
2. Two (2) business days after being deposited with a nationally-recognized overnight delivery service with instructions for next-day delivery, or
3. One (1) day after receipt of electronic confirmation if sent by facsimile or electronic mail, or

4. Five (5) business days after deposit in mail, certified or registered, return receipt requested, with appropriate postage prepared, addressed as follows:

EMPLOYER: City of Lincoln, Illinois
700 Broadway Street
Lincoln, Illinois 62656


EMPLOYEE: Elizabeth Ann Kavelman
304 Tenth Street
Lincoln, Illinois 62656
% Jason and Alexandria Williams
bkavelman@lincolnil.gov

Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 20: General Provisions

- A. **Integration.** This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the Employer and Employee are merged into and rendered null and void by this Agreement. The Employer and Employee, by mutual written agreement, may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- B. **Binding Effect.** This Agreement shall be binding on the Employer and the Employee, as well as their heirs, assigns, executors, personal representatives, and successors in interest.
- C. **Effective Date.** This Amended Agreement shall become effective on July 17, 2018.
- D. **Severability.** The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both Employer and Employee subsequent to the expungement or judicial modification of the invalid provision.
- E. **Precedence.** In the event of any conflict between the terms, conditions, and provisions of this Agreement and the provisions of Council's policies, or Employer's ordinance, or Employer's rule and regulations, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over contrary provisions of Council's policies, or Employer's ordinances, or Employer's rules and regulations, or any such permissive law during the term of this Agreement.

City of Lincoln, Illinois

By:  Mayor
Executed this the 21st day of Aug., 2018.

Employee

Signature: 
Executed this the 21st day of August, 2018.

